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November 3, 2010

VIA HAND DELIVERY

F. David Butler, Esquire  
South Carolina Public Service Commission  
101 Executive Center Drive  
Columbia, SC 29210

RE: Application of Crexendo Business Solutions, Inc. for Certification of Public Convenience and Necessity to Provide Interexchange and Local Exchange Telecommunications Services and for local service offerings to be regulated in accordance with procedures authorized for NewSouth Communications in Order No. 98-165 in docket No. 97-467-C; and for interexchange service offerings to be regulated in accordance with procedures established for alternative regulation in Order Nos. 95-1734 and 96-55 in Docket No. 95-166-C.  
Docket No.: 2010-252-C

Dear Mr. Butler:

Enclosed please find an Affidavit with eight attachments supplementing the record in the above. Attachment #8 is an audio recording of the July 30, 2010, workshop held in Winston-Salem, North Carolina which is being filed under seal. The Applicant would move that the audio tape be treated as confidential and request an order treating it as confidential. Also enclosed is a copy of the Affidavit which I would ask that you clock and return to my office via my courier. By copy I am serving the Office of Regulatory Staff with the enclosures.

If you or counsel have any questions, please do not hesitate to contact me.

Sincerely,

Elliott & Elliott, P.A.



Scott Elliott

SE/jcl

Enclosures

cc: C. Lessie Hammonds, Esquire - w/enc.  
Margaret M. Fox, Esquire - w/enc. (affidavit only)

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 2010-252-C

IN RE: Application of Crexendo Business Solutions, )  
Inc. for a Certificate of Public Convenience and )  
Necessity to Provide Interexchange )  
and Local Exchange Telecommunications )  
Services for local service offerings to be )  
regulated in accordance with procedures )  
Authorized for NewSouth Communications )  
in Order No. 98-165 in Docket No. 97-467-C; )  
and for Interexchange service offerings to be )  
regulated in accordance with procedures )  
established for alternative regulation in )  
Order Nos. 95-1734 and 96-55 in )  
Docket No. 95-661-C. )

**AFFIDAVIT**

Personally appeared before me, Jeff Korn, who on oath deposes and states:

He is the Chief Legal Officer and Senior Vice President of Crexendo Business Solutions, Inc and iMergent, Inc. He testified before the Hearing Officer of the South Carolina Public Service Commission in the above captioned matter on October 18, 2010. He is familiar with the facts set out in the Application above and with those matters set out herein. He submits the following to supplement his testimony given in support of the Application in the above.

**Crexendo Business Solutions** is the entity that will provide telecom services. The income lines are segregated in the 10K due to US GAAP (Generally Accepted Accounting Procedures) reporting requirements. Both Crexendo Business Solutions and Crexendo Network Services are one entity. Crexendo Network Services shows investors expenses and returns from telecom.

**North Carolina Settlement**

On August 4, 2008, The North Carolina, County of Wake, General Court of Justice, Superior Court Division, in the case entitled State of North Carolina v. iMergent, Inc., et al, case number 07-CVS-7381, entered a Consent Judgment. In the Consent Judgment, StoresOnline agreed to provide the name and business address on each of its solicitations or correspondence, name the entity presenting events, and inform attendees they will be solicited to purchase products or services at the presentations. StoresOnline further agreed to avoid making any false or misleading statements about: 1) the ease of the software; 2) level of customer support; and/or 3) material information. StoresOnline also agreed to abide by the Federal Trade Commission standard of using testimonials. StoresOnline also agreed to inform purchasers of their need of the following, prior to purchasing the software: a) a computer; b) general

knowledge of using a computer; c) knowledge about e-commerce; d) a product to sell; e) a business operating plan; and f) capital to operate a business. StoresOnline also agreed to grant individuals over sixty-five years of age, up to fifteen (15) days to cancel their purchase. In accordance with the Consent Judgment, StoresOnline will also maintain audios of every presentation conducted in North Carolina, and provide advanced, written notification of the dates, times, locations, and advertising materials for each event conducted in the state.

### **Compliance with Settlement**

StoresOnline is in good standing with the State of North Carolina. We have an order and we comply with the order. *See* attachments 1-5 which outline the specific disclosures required by the order. StoresOnline has gone above the required documentation by requiring customers to sign the disclosures at both the preview event as well as upon purchase at the workshop.

StoresOnline's sales model consists of a Preview Seminar, where attendees are introduced to StoresOnline and provided a version of the software they may use to see if it works for them. Attendees are typically given two weeks to try the software before they are allowed to attend a Workshop Seminar and make the more substantial investment.

### **Documentation**

Included with this memo are the following attachments:

1. **Preview order form**, which contains the cancellation policy on the reverse.
2. **Software License Agreement** (with site key sold at the preview). The software license agreement details any fees associated with hosting a website. It also has the disclosures required by the NC settlement. These disclosures are included just below the heading "Important Notice."
3. **Workshop Order Form**- contains the cancellation policy on both the front and reverse of the form.
4. **Workshop Software License Agreement**- (the upgraded software and support sold at the workshop). Once again contains the disclosures given with the preview license agreement, as well as additional disclosures that StoresOnline does not provide customers with a dropship supplier but that the sale does include a list of websites where the customer might find a dropshipper.
5. **Workshop Workbook**- used during the workshop seminar. Tab 6 covers features of the software and disclosures of all fees.

### **StoresOnline's Compliance Training**

StoresOnline maintains a detailed compliance manual that explains the company's compliance policy. Each member of the sales staff is required to read and sign an acknowledgment that they have read and agree to abide by the company's compliance policy. StoresOnline also conducts semi-annual compliance trainings to keep the sales staff current on the company's compliance policies. All sales staff members are required to attend. During the training, I review compliance policies, address any compliance issues, and help individual staff members maintain compliance with all company policies. The training covers the settlement agreements, testimonial disclaimers, products training, as well as other areas. During the training, staff members are encouraged to comment and ask questions about compliance and how they can

assist. StoresOnline has an open door policy whereby sales staff members can contact the compliance department or me directly to have a question or concern addressed.

### **StoresOnline's Compliance Program**

StoresOnline maintains a strict compliance program, whereby every event is recorded and then random compliance checks are performed. StoresOnline's compliance department currently has 5 employees who manage recordings, review events, and warn speakers if any statements need correction. If a speaker says something that is non-compliant the company has a process for warnings and other corrective actions, including fines and termination. Approximately 15-20% of all events are listened to by a member of the compliance department. The compliance department has a weekly meeting reviewing one event of each presenter from their most recent trip. During the meeting any statements that need correction are noted and the speaker receives a compliance review email.

Audio recordings are made available to the AG's office to review upon request.

### **Additional Compliance Steps**

StoresOnline also sends weekly reminder emails to each sales person who will be doing events in NC (or any other state where the company has a settlement or other requirements). The team managers go over the state requirements with their teams prior to performing an event. (*see Attachment 6 Reminder Email dated July 9, 2010*)

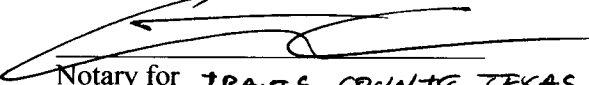
StoresOnline sends notices to the State of North Carolina prior to performing events. These notices are sent weekly starting three weeks prior to the first event and continue until the last event has been completed. The notices contain the date, time, and location of the event. The notices are updated as event locations or times change. (*see Attachment 7 Event Notice from July 2010*)

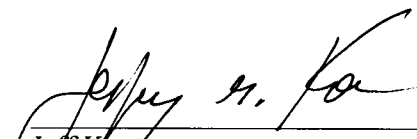
### **Supplemental Documentation**

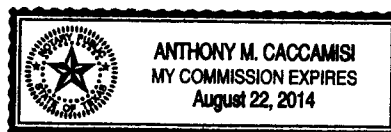
Attached and submitted under seal in support of the above is an audio recording of July 30, 2010, Workshop held in Winston-Salem, North Carolina. (*Attachment 8*)

Crexendo Business Solutions, Inc. respectfully requests that its application herein be granted.

Sworn to before me this 2<sup>nd</sup> day  
of November 2010.

  
Notary for TRAVIS COUNTY, TEXAS  
My commission expires 8/22/14

  
Jeff Korn



Preview

**Business to Business  
Order Form**

StoresOnline, Inc.  
1303 North Research Way  
Orem, UT 84097  
Ph 801-431-4875  
workshop@storesonline.com  
http://www.StoresOnlinePro.com



Name: \_\_\_\_\_  
Physical Address: \_\_\_\_\_  
City/Town: \_\_\_\_\_  
State/Province: \_\_\_\_\_  
Home Phone#: \_\_\_\_\_  
E-mail Address (Required): \_\_\_\_\_

Guest Name: \_\_\_\_\_

(OFFICE USE ONLY) VIP#: \_\_\_\_\_

Zip/Postal Code: \_\_\_\_\_

Mobile Phone#: \_\_\_\_\_

Workshop Day of Week: \_\_\_\_\_

Workshop Date: \_\_\_\_\_

Workshop Time: Registration \_\_\_\_\_

Training \_\_\_\_\_

Completion \_\_\_\_\_

Workshop Location: \_\_\_\_\_

(Venue)

(Address)

(Phone#)

ITEM/TITLE		AMOUNT
StoresOnline Express Software License and StoresOnline Full Day Training Workshop		Included
<b>Method of Payment:</b> <input type="radio"/> Credit/Debit Card # _____ Exp Date _____ <input type="radio"/> Check # _____ <input type="radio"/> Cash		<b>Total Paid Due</b>

This receipt constitutes proof of purchase. You acknowledge receipt of a copy of this agreement. You, the buyer, may cancel this transaction at any time prior to midnight of the third business day after the date of this transaction. Individuals 65 or older may cancel this transaction at any time prior to midnight of the fifteenth business day following this transaction. After these periods all sales are final. For an explanation of rights see attached Notice of Cancellation Form. All terms and conditions contained in the Software License Agreement are incorporated into this document. StoresOnline may convert your payment to an electronic form.

Signature X \_\_\_\_\_

DATE

EMP

060109 PRE

## **WORKSHOP INFORMATION**

- I have the right but not the obligation to purchase the software, tools, and advanced support at any time.
- No video or audio recording at the workshop is allowed.
- Picture identification is required for entrance to the workshop.
- I verify that I am at least 18 years old, and that I have not previously attended a StoresOnline workshop.

**The customer activation fee is non-refundable.**

**All correspondence regarding the Workshop should be directed to:**

**StoresOnline, Inc.**  
**1303 North Research Way, Orem, UT 84097**  
**Phone: 801-431-4675**  
**Toll Free: 888-539-3853**  
**Email: [workshop@storesonline.com](mailto:workshop@storesonline.com)**

**Customer Support:**  
**Fax: 801-226-8848**  
**801-812-8453**  
**Chat: [www.myquickresponse.com](http://www.myquickresponse.com)**

**NOTICE OF CANCELLATION**

Transaction Date: \_\_\_\_\_

You may cancel this transaction, without penalty or obligation, within the applicable three or fifteen business days from the above date, after which the sale is final. If you cancel, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within 10 days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be cancelled. To cancel this transaction, either (1) fax a signed and dated copy of this cancellation notice to 801-812-8453, (2) mail or deliver a signed and dated copy of this cancellation notice to StoresOnline, Inc. at 1303 North Research Way, Orem, UT 84097, or (3) email a request to [cxlrequest@myquickresponse.com](mailto:cxlrequest@myquickresponse.com) not later than midnight of \_\_\_\_\_.

I hereby cancel this transaction.

Purchasers' Signature (required): \_\_\_\_\_ Date (required): \_\_\_\_\_

Clearly Print Your First and Last Name (required) \_\_\_\_\_

Customer VIP# (optional) \_\_\_\_\_

**Customer Support:**

Fax: 801-226-8848

801-812-8453

Chat: [www.myquickresponse.com](http://www.myquickresponse.com)



Preview

storesonline 

# Software License Agreement

1303 North Research Way, Orem, UT 84097, Tel 1 801 434-8582, Fax 1 801 226-8848

Site Key

Password

As a result of attending the preview training session, I confirm receipt of the License, materials, and services. I also understand with all of this information and materials listed below, I now have the option to immediately create a website using the StoresOnline software with the Site Key and Password provided above, without any further assistance or even the knowledge of StoresOnline, Inc. and I can then have this site hosted anywhere on the Web. However, I understand that if I choose to host my StoresOnline website elsewhere, I will forgo StoresOnline's hosting features, including DNS, secure certificate, data backup, bandwidth, site monitoring, and more. If I choose to host my website with StoresOnline I will be charged \$24.95 per month when I activate my site. I understand that I can turn off hosting at any time. My purchase includes full access to one express license and online customer support for forty-five (45) days after the date of this transaction. I may, at my discretion, continue to receive access to my express license and pre-published support by paying StoresOnline **\$9.95 per month**. I understand such support is optional and is not obligatory. I also understand, upon publishing my website, a charge of \$24.95 per month will apply if I choose to host my express website with StoresOnline. I affirm that I am of legal age, and I understand, agree, and acknowledge that this purchase is made for business purposes only. I reaffirm my agreement to all the terms and conditions, including Binding Arbitration, as specified on the Order Form. I have participated in the preview training session for my business as contemplated for the Internet. I confirm that any purchase from StoresOnline is for my business. I understand that it is not the intent of StoresOnline to promote or sell me products or services that will start a business. I acknowledge that StoresOnline does not recommend I sell my storefront certificates, and offers no re-seller program. I again affirm my understanding that not all websites shown in StoresOnline events are StoresOnline sites, and all testimonials shared in all StoresOnline events are not typical and my results may vary depending on my product, price, and marketing efforts. The only representations from StoresOnline for which I have based my purchase decision on, are in writing and have been provided to me. Further, I understand and agree that given the specific nature of the Internet and business for which my products/services are used, and the fact that my success depends on my idea(s), products/services, prices, and how effectively I promote them, StoresOnline, Inc. does not offer a joint venture or marketing program and offers no guarantees other than those provided on the back of the order form that I have signed. By signing this, I agree to StoresOnline's privacy policy. A complete version of StoresOnline's privacy policy is located in tab six of your workshop binder.

## Important Notice

The following pre-requirements for purchasing the software include: i) ownership of a computer; ii) connection to a working Internet service provider; iii) access to a product to sell; iv) access to a working e-mail; v) moderate technical computer skills and basic web programming knowledge; vi) moderate knowledge of e-commerce; vii) a plan for operating an existing business; and viii) have sufficient capital to operate an existing business apart from the cost of this software. (Paragraph 5(c)).

If you fit any one of these categories and nonetheless choose to purchase this software package, be aware that it may take an additional undetermined amount of time, depending on your skills and intelligence, to learn how to work with computers and the Internet; it may take additional time to find a supplier to drop ship products for you and it may take you still several weeks to several months more to compile all the information that will be needed for you to load into your website.

If you are an experienced business person with an ongoing business and are an experienced computer user, you may have success with StoresOnline's website building software and services. However, the individual success of current, on-going web sites built with StoresOnline software varies from complete failures to highly successful and profitable Internet businesses. The StoresOnline software is intended for business use.

Customer ID:

Description of Materials and Services Delivered/Received:

- Storefront License Certificate, Site Key, and Password

Signature: \_\_\_\_\_

I have read, understand and agree with the above text, and acknowledge receipt of above software, license, certificates, materials, etc., listed above.



070110EXP NC





# Software License Agreement

1303 North Research Way, Orem, UT 84097, Tel 1 801 434-8582, Fax 1 801 226-8848

Site Key  
2278064

Password  
dtGzysY

As a result of attending the preview training session, I confirm receipt of the License, materials, and services. I also understand with all of this information and materials listed below, I now have the option to immediately create a website using the StoresOnline software with the Site Key and Password provided above, without any further assistance or even the knowledge of StoresOnline, Inc. and I can then have this site hosted anywhere on the Web. However, I understand that if I choose to host my StoresOnline website elsewhere, I will forgo StoresOnline's hosting features, including DNS, secure certificate, data backup, bandwidth, site monitoring, and more. If I choose to host my website with StoresOnline I will be charged \$24.95 per month when I activate my site. I understand that I can turn off hosting at any time. My purchase includes full access to one express license and online customer support for forty-five (45) days after the date of this transaction. I may, at my discretion, continue to receive access to my express license and pre-published support by paying StoresOnline **\$9.95 per month**. I understand such support is optional and is not obligatory. I also understand, upon publishing my website, a charge of \$24.95 per month will apply if I choose to host my express website with StoresOnline. I affirm that I am of legal age, and I understand, agree, and acknowledge that this purchase is made for business purposes only. I reaffirm my agreement to all the terms and conditions, including Binding Arbitration, as specified on the Order Form. I have participated in the preview training session for my business as contemplated for the Internet. I confirm that any purchase from StoresOnline is for my business. I understand that it is not the intent of StoresOnline to promote or sell me products or services that will start a business. I acknowledge that StoresOnline does not recommend I sell my storefront certificates, and offers no re-seller program. I again affirm my understanding that not all websites shown in StoresOnline events are StoresOnline sites, and all testimonials shared in all StoresOnline events are not typical and my results may vary depending on my product, price, and marketing efforts. The only representations from StoresOnline for which I have based my purchase decision on, are in writing and have been provided to me. Further, I understand and agree that given the specific nature of the Internet and business for which my products/services are used, and the fact that my success depends on my idea(s), products/services, prices, and how effectively I promote them, StoresOnline, Inc. does not offer a joint venture or marketing program and offers no guarantees other than those provided on the back of the order form that I have signed. By signing this, I agree to StoresOnline's privacy policy. A complete version of StoresOnline's privacy policy is located in tab six of your workshop binder.

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Customer ID:

Description of Materials and Services Delivered/Received:

- Storefront License Certificate, Site Key, and Password

Workshop

**Business to Business  
Order Form**

StoresOnline, Inc.  
1303 North Research Way  
Orem, UT 84097  
Ph 801-431-4675  
workshop@storesonline.com  
<http://www.StoresOnlinePro.com>

Name:

Guest Name:

Physical Address:

City/Town:

State/Province:

Zip/Postal Code:

Home Phone#:

Mobile Phone#:

E-mail Address (Required):

QTY	ITEM/TITLE	EACH	AMOUNT
	StoresOnline Pro Upgrade		
	StoresOnline Pro Platinum Upgrade (Multiple)		
Method of Payment: SPECIAL WORKSHOP OFFER		Subtotal	
<input type="radio"/> Credit Card <input type="radio"/> Cash <input type="radio"/> Check # _____ <input type="radio"/> Other _____		TOTAL	

This receipt is my proof of purchase. All terms and conditions contained within the Software License Agreement are herewith incorporated within this document. See the attached Notice of Cancellation form for an explanation of this right. You, the buyer, may cancel this transaction at anytime prior to midnight of the third business day after the date of this transaction. In the event the buyer is 65 or older they shall be provided 15 calendar days after the date of this transaction after which respective periods all sales are final. StoresOnline may convert your payment to an electronic form.

Signature X \_\_\_\_\_

DATE

EMP



081109 WKSHP NC

### **CONSENT TO BINDING ARBITRATION BEFORE THE AMERICAN ARBITRATION ASSOCIATION:**

By execution of this Order Form Agreement (the "Agreement"), purchaser/customer ("Merchant") and StoresOnline, Inc., ("Company") hereby agree that any and all disputes that arise between them concerning this Agreement or any of the terms of this Agreement, or that concern any aspect of the relationship between Merchant and Company, shall be decided exclusively in binding arbitration conducted by the American Arbitration Association ("AAA"). Merchant and Company further agree that any and all AAA arbitration hearings shall be conducted in one of the following locations as selected by the Merchant: Atlanta, Georgia; Washington, D.C.; Chicago, Illinois; New Orleans, Louisiana; Salt Lake City, Utah; Los Angeles, California; Seattle, Washington; or Dallas, Texas before a single arbitrator. The arbitrator shall be appointed in accordance with Section R-13, Appointment from Panel, of AAA's Commercial Arbitration Rules. Merchant and Company consent and agree that the AAA shall have exclusive and sole jurisdiction to decide all disputes between Merchant and Company, and Merchant and Company agree that the AAA arbitrator shall exclusively apply Nevada law to the dispute, regardless of and without giving any consideration to choice of law principles. Merchant and Company further agree that each party will bear his/her/its own costs and attorneys' fees incurred in connection with the AAA arbitration proceeding, and agree that the AAA arbitrator shall have no power or discretion to make any award of costs or attorneys' fees. However, in the event that Merchant or Company files any court proceeding in violation of this contractually agreed-upon arbitration requirement, the party who is required to appear in any Court proceeding to defend against such proceeding shall be entitled to an immediate stay and dismissal of such Court proceeding, and shall be entitled to an award of all reasonable attorneys' fees and costs incurred in connection with such Court proceedings. The final decision of the arbitrator shall be furnished in writing and shall constitute a conclusive determination of the issues in question, binding upon the Merchant and Company, and shall not be contested by either of them except as permitted by applicable law. Such decision may be used in a court of law only for the purpose of seeking enforcement of the arbitrators' award. Registered Agent: StoresOnline's Registered Agent for the state of North Carolina is National Registered Agents, Inc., located at 120 Penmarc Drive, Suite 118, Raleigh, NC 27603.

### **LIMITED WARRANTY/GUARANTEE/CONDITIONS**

**Tangible Products:** StoresOnline, Inc. ("Company") warrants, for the purchaser's benefit alone, that all materials shall be free from defects in material and workmanship for 30 days after delivery to purchaser by Company, and will be replaced by Company upon return of defective materials. Any and all returns must be pre-approved and the Return Goods Authorization Number (RGA#) must be clearly marked on or near the address label. Returned packages without RGA#'s clearly marked will not be accepted. Except for the express warranty of the original product(s) set forth above, Company grants no other warranties, expressed or implied, by statute or otherwise, regarding the products, their fitness for any purpose, their quality, their merchantability, or otherwise. Company storefronts may not be used in conjunction with any "pornographic" material, anything illegal or offensive, or anything that promotes hatred, or is considered inappropriate by the Company Review Board. All storefronts must comply with the terms, rates, and services found in the Merchant Services section of StoresOnlinePro.com. The warranty and remedies set forth above are exclusive and in lieu of all others, oral or written, expressed or implied. No Company employee or agent is authorized to make any modification or addition to this warranty. Some states do not allow the exclusion or limitation of implied warranties or limitation of liability or incidental or consequential damages. **Virtual Products:** Given the specific nature of the industry and business for which these products/services are used, and because success depends on the purchaser's idea(s), products, services, prices, and how effectively the purchaser promotes them, the Company offers no guarantees of marketability or success. The liability of Company under the warranty set forth above shall be limited to the amount paid by the customer for the product. In no event shall Company be liable for any special, consequential, or other damages for breach of warranty. Company assumes the merchant's election to purchase and use the StoresOnline solution is for the merchant's current business and/or because the merchant is looking for ways to promote and sell a product, service, or idea, none of which are provided by Company.

### **CHECK POLICY**

**Electronic Deposits:** It is understood and agreed that any and all checks can be electronically presented to your bank.

**Returned Checks:** A \$25.00 fee for Returned Checks or the Maximum Amount Permitted by law will be assessed for a check not honored by your bank. Returned checks, along with the returned check fee, may be electronically presented to your bank.

### **NOTICE OF REPORTING TO CREDIT BUREAUS**

We may provide information to credit bureaus about insolvency, delinquency, late payment or default on your account to include in your credit report.

## **NOTICE OF CANCELLATION**

Transaction Date: \_\_\_\_\_

You may cancel this transaction, without penalty or obligation, within 3 business days from the above date if under 65 years of age, and 15 calendar days if over 65 years of age, after which the sale is final. If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within 10 days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your residence, in substantially as good condition as when received, any goods delivered to you under this contract or sale, or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation. If you fail to make the goods available to the seller, or if you agree to return the goods to the seller, and fail to do so, then you remain liable for performance of all obligations under the contract. To cancel this transaction, Please call 801-434-8582 during regular office hours for fastest service. (Monday - Friday 10:00 am - 7:00 pm MST) You may also either (1) fax a signed and dated copy of this cancellation notice to 801-812-8453, (2) mail or deliver a signed and dated copy of this cancellation notice to StoresOnline, Inc. at 1303 North Research Way, Orem, UT 84097, or (3) email a request with the information below to [cxlrequest@myquickresponse.com](mailto:cxlrequest@myquickresponse.com)

not later than midnight of \_\_\_\_\_.

I hereby cancel this transaction.

Purchasers' Signature (required): \_\_\_\_\_ Date (required): \_\_\_\_\_

Clearly Print Your First and Last Name (required) \_\_\_\_\_

Customer VIP# (optional) \_\_\_\_\_

Customer Support: 801-434-8582

Fax: 801-226-8848

Chat: [www.myquickresponse.com](http://www.myquickresponse.com)



# Software License Agreement

1303 North Research Way, Orem, UT 84097, Tel 1 801 434-8582, Fax 1 801 226-8848

As a result of attending the full-day training workshop and my purchase of the special workshop offer, I confirm receipt of all materials and services. With my signature below, in addition, I also reaffirm and/or accept all the terms and conditions of the Registered Trademark License Agreement Recitals provided in conjunction with your license and which are printed on the reverse of this document. I understand the workshop offer allows me immediate access to all Internet marketing information, links, and techniques contained in the Merchant Services section as demonstrated in the workshop and/or available through normal Internet access, plus those things listed below. I understand that I am not obligated to activate a storefront with StoresOnline but still have access to Merchant Services if I am current on support fees. I also understand with all of the information and materials listed below, I now have the option to immediately create a website using the StoresOnline software without any further assistance or even the knowledge of StoresOnline, Inc. and I can then have this site hosted anywhere on the Web. However, I understand that if I choose to host my StoresOnline website elsewhere, I will forgo StoresOnline's hosting features, including DNS, secure certificate, data backup, bandwidth, site monitoring, and more. I affirm that I am of legal age, and I understand, agree, and acknowledge that this purchase is made for business purposes only. I understand a third-party vendor will contact me to offer additional products and services. I understand any additional products or services purchased after the workshop are not required for my success and are optional. I reaffirm my agreement to all the terms and conditions, including Binding Arbitration, as specified on the Order Form. I have participated in the training workshop for my business as contemplated for the Internet. I confirm that any purchase from StoresOnline is for my business. I understand that it is not the intent of StoresOnline to promote or sell me products or services that will start a business. I acknowledge that StoresOnline does not recommend I sell my storefront certificates, and offers no re-seller program. I again affirm my understanding that not all websites shown in StoresOnline events are StoresOnline sites, and all testimonials shared in all StoresOnline events are not typical and my results may vary depending on my product, price, and marketing efforts. The only representations from StoresOnline for which I have based my purchase decision on, are in writing and have been provided to me. Further, I understand and agree that given the specific nature of the Internet and business for which my products/services are used, and the fact that my success depends on my idea(s), products/services, prices, and how effectively I promote them, StoresOnline, Inc. does not offer a joint venture or marketing program and offers no guarantees other than those provided on the back of the order form that I have signed. When I publish a site with StoresOnline, I will use my credit card to pay for those services and will provide the card number at that time. Please maintain "On File" my signature below as authorization to charge my credit card for those services, if and when I indicate to do so. By signing this, I agree to StoresOnline's privacy policy. A complete version of StoresOnline's privacy policy is in tab six of your workshop binder.

Your single site license upgrades your previously purchased Express license and gives you access to a site key which may enable you to create and/or publish a website. The site key is non-transferable.

## Important Notice

The following pre-requirements for purchasing the software include: i) ownership of a computer; ii) connection to a working Internet service provider; iii) access to a product to sell; iv) access to a working e-mail; v) moderate technical computer skills and basic web programming knowledge; vi) moderate knowledge of e-commerce; vii) a plan for operating an existing business; and viii) have sufficient capital to operate an existing business apart from the cost of this software. (Paragraph 5(c)).

If you fit any one of these categories and nonetheless choose to purchase this software package, be aware that it may take an additional undetermined amount of time, depending on your skills and intelligence, to learn how to work with computers and the Internet; it may take additional time to find a supplier to drop ship products for you and it may take you still several weeks to several months more to compile all the information that will be needed for you to load into your website. If you are an experienced business person with an ongoing business and are an experienced computer user, you may have success with StoresOnline's website building software and services. However, the individual success of current, on-going web sites built with StoresOnline software varies from complete failures to highly successful and profitable Internet businesses. The StoresOnline software is intended for business use.

StoresOnline will not provide you with a "drop-shipping" business partner whose products or services you can market with a StoresOnline website, except for giving you a list of websites where for free or for a fee you might find a partner or a list of those drop-shippers who have integrated with StoresOnline's software. You may not be able to find a business partner.

Advanced personal coaching or training is NOT included in your purchase and carries extra costs up to several thousand dollars.

Customer ID:

Description of Materials and Services Delivered/Received:

- Complete Store Building (Includes Training DVDs with helps, tips, and tutorials.)

Signature: \_\_\_\_\_

I have read, understand and agree with the above text, and acknowledge receipt of above software, license, certificates, materials, etc., listed above.



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Customer ID:

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Signature: \_\_\_\_\_

I have read, understand and agree with the above text, and acknowledge receipt of above software, license, certificates, materials, etc., listed above.

**From:** Ross Weber  
**Sent:** Friday, July 09, 2010 2:35 PM  
**To:** Brice Cornaby; Mark Scott; Mike Webb; Leland McKay; Todd Stoker; Tommy Hunter; Ryan Oliver; Thomas Peterson; Garron Combs; 'Joanna Larsen'; Thomas Cox; Aaron Dent; Eric Murray; Jeremy Glenn  
**Cc:** Jeffery Korn; Jason Hoopes; Stacy Allred; Steve Troxel  
**Subject:** North Carolina Reminder e-mail

Preview Teams,

Before you head back to North Carolina next week please review the our settlement requirements. Please contact Jeff Korn or myself if you have any questions regarding these requirements.

### **North Carolina**

#### **Mailed Solicitations**

1. In any solicitation StoresOnline must clearly state: (a) its name and business address; (b) the name of the entity presenting the event; (c ) Consumers will be solicited to purchase StoresOnline's products; (d) the relationship of any company referenced in the solicitation (Paragraph 2).

#### **Enjoined Activities**

1. StoresOnline cannot misrepresent, expressly or by implication, the ease of its products and services. (Paragraph 3(b)).
2. Represent customers can be successful without them owning a computer which does not have an Internet connection. (Paragraph 3(c )).
3. Misrepresenting the level of customer support which may be provided. (Paragraph 3(d)).
4. Stating StoresOnline will provide the customer with a product or a business. (Paragraph 3(e)).
5. Making verbal representations which are inconsistent with any written representations. (Paragraph 3(f)).
6. Failing to disclose, prior to the purchase, the material terms associated with the purchase. (Paragraph 3(g)).

#### **Testimonials**

1. Must disclose whether StoresOnline gave any financial incentive to an individual in return for a testimonial. (Paragraph 4(b)).
2. When using a testimonial by a person who is related to an employee, must disclose that relationship. (Paragraph 4(c)).
3. Using a testimonial without first obtaining documentation. StoresOnline must make this documentation available upon request by the AG. (Paragraph 4(d)).

#### **Disclosures**

For all presentations over \$200, StoresOnline must disclose at least seven (7) days prior to the presentation:

1. Clearly, in writing advise customers of their right to cancel. (Paragraph 5(a)).
2. State third party coaching and mentoring services are provided at an additional cost and not included within the purchase. (Paragraph 5(b)).
3. The following pre-requirements for purchasing the software include: i) ownership of a computer; ii) connection to a working Internet service provider; iii) access to a product to sell; iv) access to a working e-mail; and v) moderate technical computer skills and basic web programming knowledge. (Paragraph 5(c )).
4. A list of products and services available for sale, including the detain of those products and services which customer service can and cannot support. (Paragraph 6(a)).
5. A list of optional products and services containing a description and price for each option. (Paragraph 6(b)).

## **Right to Cancel**

1. StoresOnline will offer a three (3) day right of rescission for individuals under 65, and a fifteen (15) day right for individuals over 65. (Paragraph 7).
2. The Order form must state, or substantially state: "You, the buyer, may cancel this transaction at any time prior to midnight of the third business day after the date of this transaction by sending a written notice of cancellation. In the event you are 65 or older you shall be provided 15 days after the date of this transaction to cancel your purchase in writing. After such periods all sales are final" (Paragraph 7(b)).
3. Must allow customers to send in rescission via mail, e-mail, or fax. (Paragraph 7(e)).
4. Must orally inform individuals of their right of rescission at the workshop. (Paragraph 7(f)).

## **Contracts**

1. StoresOnline's contract must include a right to cancel provision, including address, e-mail address, and fax number and at the time of purchase include in writing: a) the terms and conditions of payment; b) a full and detailed description of the acts and/or services Defendant will perform the Consumer, c) Defendant's principal business address and name and address of its registered agent for service of process in North Carolina

## **Compliance & Record Keeping**

For Three Years, StoresOnline must:

1. Disclose to the AG at [kander@ncdoj.gov](mailto:kander@ncdoj.gov) and [kwiezrel@ncdoj.gov](mailto:kwiezrel@ncdoj.gov) the dates, times, and locations Fourteen (14) days before the Preview, and five (5) days before the Workshop; and ii) provide a copy of the mail piece used by StoresOnline for these events. (Paragraph 10(a)).
2. Make audio recordings of all presentations conducted in North Carolina, labeling each to identify the date, time, speaker, and location of the event (must retain for one (1) year). (Paragraph 10(b)).
3. Maintain a system to receive and respond to complaints. Must maintain a copy of North Carolina Complaints, and provide to AG within fourteen (14) days of such a request. (Paragraph 10(c)).
4. Maintain the addresses and declarations for individuals who give testimonials. (Paragraph 10(d)).

Thank you,  
Ross

 storesonline | [www.storesonlinepro.com](http://www.storesonlinepro.com)

**Ross Weber**

Associate General Counsel

801.227.0004 x 4634 tel  
801.426.6712 fax  
[rweber@storesonline.com](mailto:rweber@storesonline.com)  
[www.storesonlinepro.com](http://www.storesonlinepro.com)

This electronic message and attachments hereto contain information which may be privileged, confidential, or otherwise protected from disclosure. The information is intended to be for the addressee only. If you are not the addressee, any disclosure, copy, distribution or use of the contents of the message or any attachments hereto is strictly prohibited. If you have received this electronic message in error, please notify us immediately, and permanently delete the original message and attachments.



Event Notice 7/16/10

## StoresOnline, Inc.

1303 North Research Way. Orem, UT 84097-6204

Tel (801) 227-0004 Fax (801) 426-6712

URL: <http://www.StoresOnline.com>

July 16, 2010

Kevin Anderson  
Kimberly Wierzel  
Assistant Attorney General  
Consumer Protection Division  
North Carolina Department of Justice  
114 W Edenton Street, Room G13  
Raleigh, NC 27603

**Re: StoresOnline, Inc. et al.  
Notice of Upcoming Events**

Dear Mr. Anderson and Ms. Wierzel:

Pursuant to Paragraph 10(a) of the Final Judgment and Agreed Permanent Injunction, StoresOnline hereby provides notice of upcoming events within the State of North Carolina on the attached list. This includes the dates, times, and locations of these events fourteen (14) days before the Preview, and five (5) days before the Workshop. We are also providing a copy of the mail piece used by StoresOnline for these events.

The events that do not have all the information listed are tentative. Events may change as they are based on demand. As changes occur, updates will be sent to you. Please do not hesitate to contact me at (801) 227-0004, if you have any questions.

Sincerely,



Stacy Allred  
Paralegal  
StoresOnline

Enclosures  
CC: Jeff Korn

North Carolina Previews					
ID #	Date	Time	City	State	Venue
	17-Jul-10	12:00 PM	Raleigh	NC	Holiday Inn Brownstone Hotel
	17-Jul-10	12:00 PM	Charlotte	NC	Ramada Airport South and Conference Center
	17-Jul-10	12:00 PM	Wilmington	NC	Hilton Wilmington Riverside
	17-Jul-10	12:00 PM	Greensboro	NC	Doubletree Hotel Greensboro
	17-Jul-10	12:00 PM	Charlotte	NC	Hilton Charlotte University Place
	17-Jul-10	9:00 AM	Charlotte	NC	Hilton Charlotte University Place
	17-Jul-10	9:00 AM	Wilmington	NC	Hilton Wilmington Riverside
	17-Jul-10	9:00 AM	Charlotte	NC	Ramada Airport South and Conference Center
	17-Jul-10	9:00 AM	Raleigh	NC	Holiday Inn Brownstone Hotel
	17-Jul-10	9:00 AM	Greensboro	NC	Doubletree Hotel Greensboro
421872	19-Aug-10	6:00 PM	Elizabeth City	NC	Pine Lakes Country Club Bistro
421870	19-Aug-10	12:00 PM	Elizabeth City	NC	Pine Lakes Country Club Bistro

# North Carolina Workshops

ID #	City, State	Date	City	Venue
420904	Wilmington, NC	26-Jul-10	Wilmington	Hilton Wilmington Riverside
420896	Charlotte, NC	26-Jul-10	Charlotte	Marriott Executive Park Hotel
420978	Greenville, NC	27-Jul-10	Greenville	Hilton Greenville
420898	Charlotte, NC	27-Jul-10	Charlotte	Marriott Executive Park Hotel
420980	Raleigh, NC	28-Jul-10	Raleigh	Hilton North Raleigh
420936	Asheville, NC	28-Jul-10	Asheville	Asheville Renaissance Hotel
420938	Raleigh, NC	29-Jul-10	Raleigh	Hilton North Raleigh
420982	Winston Salem, NC	30-Jul-10	Winston-Salem	Marriott Winston-Salem Hotel
420984	Charlotte, NC	31-Jul-10	Charlotte	Hilton Charlotte University Place

## CERTIFICATE OF SERVICE

The undersigned employee of Elliott & Elliott, P.A. does hereby certify that she has served below listed parties with a copy of the pleading(s) indicated below by mailing a copy of same to them in the United States mail, by regular mail, with sufficient postage affixed thereto and return address clearly marked on the date indicated below:

RE: Application of Crexendo Business Solutions, Inc. for Certification of Public Convenience and Necessity to Provide Interexchange and Local Exchange Telecommunications Services and for local service offerings to be regulated in accordance with procedures authorized for NewSouth Communications in Order No. 98-165 in docket No. 97-467-C; and for interexchange service offerings to be regulated in accordance with procedures established for alternative regulation in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C.

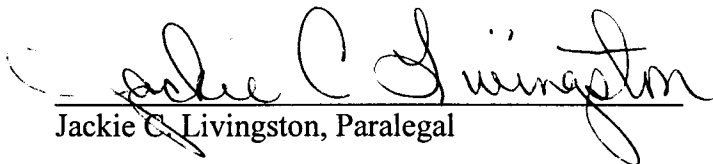
DOCKET NO.: 2010-252-C

PARTIES SERVED: Margaret M. Fox, Esquire  
McNair Law Firm, P.A.  
P. O. Box 11390  
Columbia, SC 29211

C. Lessie Hammonds, Esquire  
Office of Regulatory Staff  
P.O. Box 11263  
Columbia, SC 29211

PLEADING: AFFIDAVIT WITH EXHIBITS

November 3, 2010

  
Jackie C. Livingston, Paralegal